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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Petition of the Association for Local)
Telecommunications Services (ALTS) for a)
Declaratory Ruling Establishing Conditions)
Necessary to Promote Deployment of)
Advanced Telecommunications Capability)
Under Section 706 of the Telecommunications)
Act of 1996)

CC Docket No. 98-78

COMMENTS OF LEVEL 3 COMMUNICATIONS, INC.

Terrence J. Ferguson
Senior Vice President and General Counsel
Level 3 Communications, Inc.
3555 Farnam Street
Omaha, Nebraska 68131
(402) 536-3624 (Tel.)
(402) 536-3645 (Fax)

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COMMENTS OF LEVEL 3 COMMUNICATIONS, INC.

Level 3 Communications, Inc. ("Level 3"), pursuant to the Commission's *Public Notice*, DA 98-1019 (rel. May 28, 1998) respectfully submits the following comments concerning the Petition of the Association for Local Telecommunications Services (ALTS) for a declaratory ruling regarding Section 706 of the Telecommunications Act of 1996 ("the Act"). In its petition, ALTS presents the flipside to the petitions for regulatory relief filed by Bell Atlantic, US West, and Ameritech (collectively, "Petitioning BOCs")¹. In essence, ALTS asks the Commission not only to deny the requests of the Petitioning RBOCs, but also to affirmatively state that advanced telecommunications services are subject to the pro-competitive provisions of the Act. Level 3 agrees completely with ALTS

¹Petition of Bell Atlantic Corporation for Relief from Barriers to Deployment of Advanced Telecommunications Services, CC Docket No. 98-11; Petition of U S WEST Communications, Inc. for Relief from Barriers to Deployment of Advanced Telecommunications Services, CC Docket No. 98-26; Petition of Ameritech Corporation to Remove Barriers to Investment in Advanced Telecommunications Capability, CC Docket No. 98-32.

and asserts that advanced telecommunications services must be subject to the same market-opening legal requirements as basic telephone service; given that telecommunications providers, including Level 3, have identified advanced telecommunications services, including Internet Protocol (IP) based services and xDSL transmission technologies, as the basis for the future of local telecommunications, failure to include them within the provisions of the Act would defeat most, if not all, of the pro-competitive objectives of the Act and postpone indefinitely the development of local competition.

Introduction

Level 3 intends to provide a full range of information and communication services, primarily to businesses, over the first end-to-end network designed and built specifically for Internet Protocol based services.² Level 3 expects to offer services over interconnected local and long distance networks it is building across the United States, and to expand internationally.

Level 3's business plan gives it a very keen interest in the issues raised by the ALTS Petition. Level 3 intends to become a leading provider of advanced telecommunications capabilities, both nationwide and internationally. The services that ALTS describes in its Petition are at the heart of Level 3's proposed network.

²Additional information about Level 3 is available on the Internet at <<http://www.L3.com/>>.

I. The Commission Should Grant the Declaratory Relief Requested by ALTS

Level 3 has recently filed comments in CC Docket No. 98-5 that address in detail the bottleneck issues facing providers of high-bandwidth digital communications services.³ Level 3 has also recently filed comments in the consolidated proceeding regarding the BOC Petitions.⁴ Rather than repeat those facts and arguments here, Level 3 attaches a copy of its comments in all of these proceedings as Exhibits A through C hereto, and incorporates them by reference. As explained in Exhibit A, TCP/IP-based communications networks, such as Level 3's, will face even more significant bottleneck issues than competitive networks built to traditional telephony standards. IP networks face both physical and bandwidth bottlenecks in seeking "last-mile" access to customers' premises. The full potential of these networks cannot be realized unless their operators can obtain technically efficient and economically reasonable access to the bandwidth of the embedded loop network. Without such access, only those businesses that can afford dedicated high-capacity facilities will be able to benefit from the full potential of Internet-based information and other packet-switched telecommunications services. Efficient and affordable access to loops will be the only viable means of bringing these services to the vast majority of residential consumers, as well as many small and mid-sized businesses who cannot afford high-capacity facilities.

³Comments of Level 3 Communications, Inc., *In the Matter of Petition of LCI Telecom Corp. for Declaratory Rulings*, CC Docket No. 98-5 (filed Mar. 23, 1998).

⁴See note 1, *supra*. Comments of Level 3 Communications, Inc. ("Comments in BOC 706 Proceeding"); Reply Comments of Level 3 Communications, Inc.

In its Comments regarding the BOC Petitions, Level 3 stated, "[T]his is a case where the BOCs should heed the maxim, 'Be careful what you wish for, because you might get it.'"⁵ In response to the BOC Petitions, ALTS has now asked the Commission to fulfill its obligations under Section 706 to promote the development of advanced telecommunications by declaring "that the interconnection, collocation, unbundling and resale requirements of Sections 251, 252, and 271 of the 1996 Act apply fully to digital and broadband services and facilities."⁶ Although Level 3 advocates a far more assertive position for the Commission to adopt to encourage the development of advanced telecommunications services,⁷ ALTS' request is a sensible, and simple, initial step for the Commission to take. Given that the Petitioning BOCs are seeking to exclude advanced telecommunications services and facilities from competition, and thereby extend their monopoly control of the local exchange network into the foreseeable future, an affirmative response to the ALTS Petition will send a clear signal that BOC intransigence and foot-dragging will no longer be tolerated.

⁵Comments in BOC 706 Proceeding at 6.

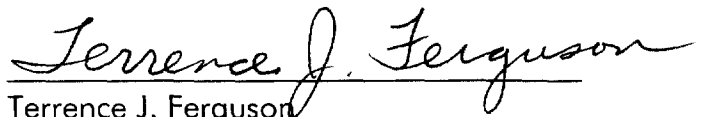
⁶ALTS Petition at 2.

⁷In its Comments in the LCI Petition proceeding and in the BOC Petitions proceeding, Level 3 proposes the divestiture of the local loops and serving wire centers from the incumbent LECs in order to place incumbent LECs and competitive LECs on more level ground for the development of local competition.

II. Conclusion

For the foregoing reasons, Level 3 supports the ALTS petition and encourages the Commission to take the steps proposed by ALTS to make clear to all telecommunications providers that advanced telecommunications services, just as any other telecommunications services, are subject to the pro-competitive provisions of the 1996 Act.

Respectfully submitted,

A handwritten signature in cursive script that reads "Terrence J. Ferguson". The signature is written in dark ink and is positioned above a horizontal line.

Terrence J. Ferguson
Senior Vice President and General Counsel
Level 3 Communications, Inc.
3555 Farnam Street
Omaha, Nebraska 68131
(402) 536-3624 (Tel.)
(402) 536-3645 (Fax)

June 18, 1998

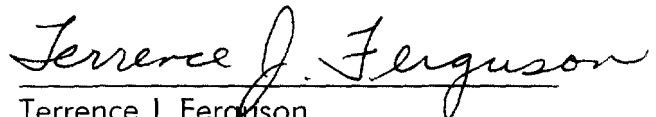
CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of June, 1998, copies of the foregoing
Comments of Level 3 Communications, Inc. were served by hand on the following:

Magalie R. Salas, Esq.
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Janice M. Myles
Common Carrier Bureau
Federal Communications Commission
Room 544
1919 M Street, N.W.
Washington, D.C. 20554

International Transcription Services, Inc.
1231 20th Street, N.W.
Washington, D.C. 20036


Terrence J. Ferguson